



# PUBLIC NOTICE

Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

News Media Information 202 / 418-0500  
Fax-On-Demand 202 / 418-2830  
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Internet: <http://www.fcc.gov>  
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**DA 03-1905**  
**Released: June 6, 2003**

## **DOMESTIC SECTION 214 APPLICATION FILED FOR TRANSFER OF CONTROL OF UNIVERSAL ACCESS, INC., TO CITYNET TELECOMMUNICATIONS, INC.**

### **STREAMLINED PLEADING CYCLE ESTABLISHED**

#### **WC Docket No. 03-125**

On May 8, 2003, Universal Access, Inc. ("Universal Access") and CityNet Telecommunications, Inc. ("CityNet") (collectively "Applicants"), filed an application, pursuant to sections 63.03 and 63.04 of the Commission's rules,<sup>1</sup> for consent to permit Applicants to consummate a transaction through which CityNet will acquire indirect control of Universal Access (the "Transaction").<sup>2</sup>

Applicants assert that this transaction is entitled to presumptive streamlined treatment pursuant to section 63.03(b)(2)(i) of the Commission's rules because (1) CityNet and Universal Access, and their affiliates combined, will hold less than a ten percent (10%) share of the interstate, interexchange market; (2) CityNet and Universal Access and their affiliates will provide local exchange service, if at all, only in areas served by dominant local exchange carriers (none of which are parties to the Transaction); and (3) none of the Applicants or their affiliates are dominant with respect to any service.

CityNet is a privately-held Delaware corporation, headquartered in Silver Spring, Maryland, that constructs dark fiber networks along municipal rights of way. Since beginning operations in 2000, 16 city governments across the U.S. and two in Europe have granted CityNet the right to build dark fiber networks and point-to-point dark fiber connections. These networks are typically constructed in the applicable city's sewer systems and water mains.

Universal Access, a Delaware corporation, provides telecommunications carriers and Internet service providers with dedicated transport circuits to meet bandwidth demand and cross-connects the networks of various telecommunications carriers. Universal Access also provides private line and interconnection services. Universal Access is a wholly-owned subsidiary of

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<sup>1</sup> 47 C.F.R. §§ 63.03, 63.04; *see* 47 U.S.C. § 214.

<sup>2</sup> Applicants are also filing applications for transfer of control associated with authorization for international services. Any action on this domestic 214 application is without prejudice to Commission action on other related pending applications.

Universal Access Global Holdings, Inc. ("UAXS"), a publicly-traded Delaware corporation with principal offices in Chicago, Illinois.

Applicants request Commission approval for a proposed transaction whereby CityNet will acquire a 55 percent ownership interest in UAXS. In addition to paying UAXS \$16 million, (a) CityNet will transfer to Universal Access ownership of certain fiber optic network assets located in Indianapolis and Albuquerque; and (b) Universal Access will assume a \$2 million debt obligation to a third party. Applicants state that the proposed transaction will result in CityNet holding a controlling ownership interest in UAXS and, thus, indirectly, in Universal Access. The transfer of control described herein will not involve a change in the name under which Universal Access currently offers service, and immediately following the proposed transaction, Universal Access will continue to offer the services it currently offers with no change in the rates, terms, or conditions of service. Thus, the transaction of control to CityNet will be transparent to Universal Access's customers in regards to the service they receive.

Applicants assert that the proposed transaction will serve the public interest in promoting competition among telecommunications carriers by providing Universal Access with the opportunity to strengthen its competitive position by strengthening its balance sheet and gaining access to CityNet's business and managerial expertise. Applicants state that the enhanced liquidity provided by the transactions will significantly enhance Universal Access's operational flexibility and efficiency as well as its long-term financial viability. Applicants claim that the proposed transaction will directly benefit consumers by ensuring the continued provision of innovative, high-quality telecommunications services to the public and thereby promoting competition in the telecommunications service market.

#### **GENERAL INFORMATION**

The transfer of assets identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of assets application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Interested parties may file **comments within 14 days** and **reply comments within 21 days** of this notice.<sup>3</sup> Unless otherwise notified by the Commission, an applicant is permitted to transfer control of the domestic lines or authorization to operate on the 31<sup>st</sup> day after the date of this notice.<sup>4</sup> Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 Fed. Reg. 24121 (1998).

Comments filed through the ECFS can be sent as an electronic file via the Internet to <<http://www.fcc.gov/e-file/ecfs.html>>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this

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<sup>3</sup> See 47 C.F.R. § 63.03(a).

<sup>4</sup> Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send an e-mail to [ecfs@fcc.gov](mailto:ecfs@fcc.gov), and should include the following words in the subject line "get form <your e-mail address>." A sample form and directions will be sent in reply.

Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). The Commission's contractor, Vistrionix, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, D.C. 20554. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

**In addition, one copy of each pleading must be sent to each of the following:**

- (1) the Commission's duplicating contractor, Qualex International, 445 12<sup>th</sup> Street, S.W., Room CY-B402, Washington, D.C. 20554; e-mail: [qualexint@aol.com](mailto:qualexint@aol.com); facsimile: (202) 863-2898; phone: (202) 863-2893.
- (2) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, 445 12<sup>th</sup> Street, S.W., Room 5-C437, Washington, D.C. 20554; e-mail: [twilson@fcc.gov](mailto:twilson@fcc.gov), and
- (3) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, 445 12<sup>th</sup> Street, S.W., Room 6-A461, Washington, D.C. 20554; e-mail: [dcjohnso@fcc.gov](mailto:dcjohnso@fcc.gov), and
- (4) William Dever, Competition Policy Division, Wireline Competition Bureau, 445 12<sup>th</sup> Street, S.W., Room 5-C266, Washington, D.C. 20554; e-mail: [wdever@fcc.gov](mailto:wdever@fcc.gov); and
- (5) Imani Ellis-Cheek, Telecommunications Division, International Bureau, 445 12<sup>th</sup> Street, S.W., Room 6-A739, Washington, D.C. 20554; email: [iellis@fcc.gov](mailto:iellis@fcc.gov); and
- (6) Christopher Killion, Office of General Counsel, 445 12<sup>th</sup> Street, S.W., Room 8-C740,

Washington, D.C. 20554; e-mail: [christopherkillion@fcc.gov](mailto:christopherkillion@fcc.gov).

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC, 20554. They may also be purchased from the Commission's duplicating contractor, Qualex International, Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC, 20554, telephone 202-863-2893, facsimile 202-863-2898, or via e-mail [qualexint@aol.com](mailto:qualexint@aol.com).

For further information, please contact Tracey Wilson, at (202) 418-1394, or Dennis Johnson (202) 418-0809.

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